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Major Facility Project & Lease Authorizations, and Enhanced Use Leasing

Introductory Statement

The Department of Veterans Affairs requests an authorization of \$19,116,000 for major medical facility leases in 2005.

Title 38, U.S.C., sections 8104(a)(2) requires statutory authorization for all major medical facility projects and major medical facility leases (including parking facilities) prior to appropriation of funds. Public Law 105-368, section 704, amended 38 U.S.C., section 8104(a)(3)(B), currently defines a "major medical facility lease" as those where the annual rent exceeds \$600,000. Projects and leases for which authorization is being requested in 2005 are shown in the chart on Page 4-5.

Public Law 108-170, section 221(a) authorizes the Secretary to carry out major construction projects as specified in the final approved CARES report. Section (b restricts the Secretary from taking action until 45 days after submitting a report t the Committees on Veterans' Affairs and Appropriations while section (c) specifies the reporting requirements of the report.

Title 38, U.S.C., section 8104(b) requires VA to submit a prospectus for all major medical facility construction projects and all major medical facility leases exceeding the \$600,000 threshold. The prospectuses for VA direct leases for Greenville, NC, Oakland, CA; Toledo, OH; Crown Point, IN; and Denver, CO are reflected on pages 4-6 through 4-16.

The table on Page 4-4 provides a listing of leases in excess of \$300,000 (including leases to be acquired through GSA) and in compliance with Public Law 108-7, Division K, Title I, section 111. Title I requires that the Secretary submit a written report to and obtain approval within 30 days from the Committee on Appropriations of Congress prior to the use of appropriated funds for any new lease of real property exceeding \$300,000. VA considers a "new lease of real property" as one that pertains to real property that VA has never before leased, as well as succeeding or follow-up leases that have expired or will soon expire. Lease extensions, expansions, renewals, or other leases with prenegotiated options are not considered new leases within the meaning of Public Law 108-7.

The Status Report for Authorized Major Medical Facility Projects and Leases (pages 4-17 through 4-18) is required under 38 U.S.C.

All Department of Veterans Affairs facilities, including sites, are intended to be barrier free. Due to patient care requirements; at some locations VA accessibility standards exceed the General Services Administration (GSA) minimum requirements.

All projects comply with the requirements of the Coastal Barrier Resources Act (Public Law 97-348).

2005 Major Facility Lease Notification for Approval All Leases Over \$300,000

(dollars in thousands)

| Location | Description | Fully Serviced Annual Rent |
|-------------------|--|----------------------------|
| Huntington, WV | VARO lease expires 6/30/04 with 5 one-year options | \$985 |
| Location | Description | Unserviced Annual Rent* |
| Chattanooga, TN* | Outpatient Clinic | \$527 |
| Grand Rapids, MI* | Outpatient Clinic (Battle Creek) | 543 |
| Greenville, NC* | Outpatient Clinic | 463 |
| Peoria, IL* | Outpatient Clinic | <u>491</u> |
| | 1 | \$2,024 |

^{*}These estimates are for 2005 and may be escalated by 4% annually to the effective date of the lease in order to account for inflation. These are unserviced leases.

2005 Major Medical Facility Project and Lease Authorization (dollars in thousands)

Title 38, U.S.C., section 8104(a)(2), requires statutory authorization for all major medical facility construction projects and all major medical facility leases exceeding \$600,000 (including parking facilities) prior to appropriation of funds. VA is not required to request authorization for leases acquired through the General Services Administration (GSA). In accordance with 38 U.S.C., section 8104(b), the prospectus for the major medical facility leases includes Outpatient Clinics in Greenville, NC; Oakland, CA; Toledo, OH; Crown Point, Indiana; and the Health Administration Center in Denver, CO are reflects on pages 4-6 through 4-16.

| Location | Description | Authorization Request |
|-----------------------|------------------------------|-----------------------|
| Major Construction Pr | <u>rojects</u> | |
| CARES | TBD | \$361,800 |
| | | |
| <u>Leases 1/</u> | | |
| Greenville, NC | Outpatient Clinic | 4,096 |
| Oakland, CA | Outpatient Clinic | 4,380 |
| Toledo, OH | Outpatient Clinic | 4,140 |
| Crown Point, IN | Outpatient Clinic | 2,600 |
| Denver, CO | Health Administration Center | <u>3,900</u> |
| • | | \$19,116 |

^{1/} Cost includes the lump sum payment for the lessor to convert the existing space for special administrative or special medical use plus the fully unserviced annual rent. Prospectuses also provided in Volume II - Medical Programs.

Greenville, North Carolina Outpatient Clinic (OPC)

I. Budget Authority

| Lease | 2005 | Unserviced |
|---------|----------------|-------------|
| Through | <u>Request</u> | Annual Rent |
| 2027 | \$4,096,000 | \$1,216,000 |

II. Description of Project

This lease proposes the acquisition of approximately 64,000 usable square feet of space for the Greenville Outpatient Clinic. This acquisition will replace the contract-model Community Based Outpatient Clinic (CBOC) located at 800 Moye Boulevard, Greenville, North Carolina, 27858. The CBOC will be converted to a VA-staff model outpatient clinic and expanded to add specialty outpatient care, ambulatory surgery capability, and ancillary/diagnostic services and parking. The project will provide a consolidated Ambulatory Care Center offering Primary Care, Mental Health, Specialty Clinics, and Ancillary/Diagnostic services, parking, etc., in a modern, efficiently designed facility.

Approval of this prospectus will constitute authority for up to 20 years of leasing including the initial term and any renewal options, and authority to extend the present lease, as necessary, prior to the completion of the proposed lease.

III. Priorities/Deficiencies Addressed

CARES preliminary workload projections for the counties to be served by the project indicate a 44% increase in enrollees over the baseline year. The project will improve access to care for patients who currently travel 2-3 hours for outpatient specialty care and ancillary/ diagnostic services. While primary care and mental health services are already available in Greenville, veterans currently travel 2-3 hours to Durham to receive services such as upper GI x-rays, cardiology evaluation, or eye care. The project will improve the quality of care by bringing common specialists closer to the veteran's home, improving timeliness, reducing time to diagnose and treat conditions requiring specialist input, and improving outcomes on patient-treatment, performance measures and clinical practice guidelines. This will allow patients who currently drive 2-3 hours for such services to receive them closer to their home.

The project will support VA's effort to provide high quality, reliable, accessible, timely and efficient health care services, by providing comprehensive outpatient services in a coordinated manner, closer to veterans' homes, thus maximizing the physical, mental, and social functioning of veterans with disabilities.

Eastern Carolina University (ECU) Medical School is located in Greenville, North Carolina. Durham VA Medical Center currently has a relationship with ECU for training of Physician Assistant students. Establishment of a full-service outpatient clinic in Greenville would provide opportunities for establishment of an affiliation agreement for training of medical residents and other allied health trainees.

IV. Alternatives to Construction Considered

The alternatives considered were: status quo, construction and contracting. While build is the most cost-effective investment, leasing provides a facility with less risk to the government and retains flexibility as the program and staff changes. The contracting option was the most costly of the alternatives considered.

V. Demographic Data

| | Current | Projected (2022) |
|-------------------|---------|------------------|
| Outpatient visits | 56,406 | 70,742 |

VI. Schedule

| Construction completionJune 2007 | | Award lease | September 2005 |
|----------------------------------|---|-------------------------|----------------|
| | - | Construction completion | June 2007 |
| Space delivery/occupancy | | | |

VI. Project Cost Summary (Based on relocating the clinic)

| Estimated maximum annual cost | \$1,216,000 |
|--|-------------|
| Current total annual cost | N/A |
| Proposed rental rate*. \$19.00/sf | |
| Proposed leasing authority | 20 years |
| Usable square feet to be leased | |
| Parking spaces to be leased | |
| Special purpose medically related improvements** | \$2,880,000 |

^{*}This estimate is for 2005 and may be escalated by 4% annually to the effective date of the lease in order to account for inflation. This is an unserviced lease.

^{**}Lump sum payment to Lessor to upgrade space for special medical use not included in rent.

Oakland, California Outpatient Clinic (OPC)

I. Budget Authority

| Lease | 2005 | Unserviced |
|----------------|-------------|--------------------|
| <u>Through</u> | Request | <u>Annual Rent</u> |
| 2027 | \$4,380,000 | \$1,680,000 |

II. Description of Project

This lease proposes the acquisition of approximately 60,000 usable square feet of space for the Oakland Outpatient Clinic. VA Northern California Health Care System (VANCHCS) currently operates two sites in the City of Oakland, California. The new Oakland VA OPC will be expanded to include additional space for primary care, specialty care, ancillary/diagnostic services, administrative services, and parking, etc.

The primary site, the Oakland VA OPC, is located in a 25,253 square foot leased facility in downtown Oakland. This facility is a build to suit lease that was opened in November 1, 1987. The final OPC lease extension for this facility expires September 30, 2007. The secondary site, the Oakland Mental Health and Substance Abuse Clinic, occupies the former US Army Outpatient Clinic at the closed Oakland Army Base. VANCHCS, through a VA/DoD Sharing Agreement, has access to 17,500 square feet of medical facilities at the Oakland Army Base. The current sharing agreement with the Army expires December 31, 2005, and it is doubtful VA will be allowed to stay beyond that date as the United States Army Reserve Unit is moving to a new location and turning the clinic over to the City of Oakland. This acquisition will allow for both sites to be combined into one and provide the same services and parking currently provided at the separate locations.

Approval of this prospectus will constitute authority for up to 20 years of leasing, including the initial term and any renewal options, and authority to extend the present lease and other contract arrangements, as necessary, prior to the completion of the proposed lease.

III. Priorities/Deficiencies Addressed

Maintain primary, specialty and ancillary/diagnostic care services in the downtown Oakland area, home to a large concentration of service connected and indigent veterans.

The services offered at the Oakland VA OPC have far outgrown the available space in the current facility. Additional space will allow for greater access to care and more timely care. The space will allow VANCHCS to extend treatment and improve the quality of healthcare in an impoverished inner-city environment with limited access to primary care and specialty care.

In 2002, there were a total of 6,710 unique veterans treated in the Oakland VA OPC and Oakland Mental Health and Substance Abuse Clinic. Combined, these clinics provided 101,284 stops in 2003 (83,295 excluding ancillary services). The "Northern California System of Clinics" CARES sub-market consists of the Martinez VA OPC, the Oakland VA OPC and the Oakland Mental Health and Substance Abuse Clinic. In 2022, CARES preliminary workloads indicate demand in this sub-market of Oakland of 106,328 stops in Primary Care, 97,333 stops in Specialty Care, 143,813 stops in Ancillary/Diagnostic Service and 97,167 stops in Mental Health.

Although the current Oakland VA OPC facility provides adequate access for veterans in terms of public transportation, it is grossly undersized. The new Oakland VA OPC will greatly improve access in terms of appointment availability by allowing VANCHCS to increase the number of providers. It will also provide multiple exam rooms per provider, greatly improving productivity and thus improving access to care.

The continued presence of a large VA outpatient facility in the Oakland area, a high risk for both terrorist activity and seismic events, enables VA to continue to participate in contingency planning/disaster response in this region.

IV. Alternatives to Construction Considered

The alternatives considered were: status quo, construction, and contracting out of services. Status quo is not a feasible option, as we are required by law to compete for a new lease. The Oakland OPC lease cannot be extended and the US Army Reserves are leaving the Oakland Army Base; under BRAC law, the clinic building will transfer to the city. While build is the most cost-effective investment, leasing provides a facility with less risk to the government and retains flexibility as the program and staff changes. The contracting option was the most costly of the alternatives considered.

V. Demographic Data

| | <u>Current</u> | Projected (2022) |
|-------------------|----------------|------------------|
| Outpatient visits | 101,284 | 103,000 |

VI. Schedule

| Award lease | September 2005 |
|--------------------------|----------------|
| Construction completion | |
| Space delivery/occupancy | |

VII. Project Cost Summary

| Estimated maximum annual cost | \$1,680,000 |
|---|-------------|
| Current total annual cost | \$656,026 |
| Proposed rental rate* | \$28.00/sf |
| Proposed leasing authority | |
| Usable square feet to be leased | |
| Parking spaces to be leased | 300 |
| Special purpose medically related improvements* | ** |

^{*}This estimate is for 2005 and may be escalated by 4% annually to the effective date of the lease in order to account for inflation. This is an unserviced lease.

^{**}Lump sum payment to Lessor to upgrade space for special medical use; not included in rent.

Toledo, Ohio Outpatient Clinic (OPC)

I. Budget Authority

| Lease | 2005 | |
|----------------|-------------|--------------------|
| Unserviced | | |
| <u>Through</u> | Request | <u>Annual Rent</u> |
| 2027 | \$4,140,000 | \$1,128,000 |

II. Description of Project

This lease proposes the acquisition of approximately 60,000 usable square feet for the Toledo Outpatient Clinic. The existing lease (including all options) expires in 2005. This acquisition will allow for leasing space to house VA activities currently located in 34,810 usable square feet at 3333 Glendale Avenue, Toledo, Ohio. CARES preliminary data recommends a space increase of 35% due to forecasted increased patient load.

This project would allow VHA to fill the gap for veterans in northwest Ohio in regards to projected increases of veteran healthcare services, reduce waits and delays, offer state of the art ancillary services, and all specialties. In addition to Primary Care, a number of specialty care services are currently provided at the Toledo OPC including: cardiology, gastroenterology, ophthalmology, dental, physical therapy, radiology, laboratory, and parking, etc. Additionally, an active outpatient Mental Health program is based at the clinic. The clinic also includes an on-site outpatient pharmacy.

Approval of this prospectus will constitute authority for up to 20 years of leasing, including the initial term and any renewal options, and authority to extend the present lease, as necessary, prior to the completion of the proposed lease.

III. Priorities/Deficiencies Addressed

The Toledo OPC is critical to meeting the demands of northwestern Ohio, as it is the only facility currently in the area. This facility will allow veterans in the northwestern area of Ohio to obtain outpatient care without traveling the distance to Ann Arbor and will greatly improve the quality of life by providing outpatient and ancillary services in the local area. It will also greatly add to the public health and socioeconomic well being by providing outpatient and ancillary services in the northwestern Ohio area.

Access to health care in the northwestern Ohio area will continue to be provided and an increase in size to the facility will allow the VA to meet the projected increase in the Veteran population for this area.

The Toledo OPC will allow services to increase along the OPC business line by channeling patients through the Toledo OPC to the VA Ann Arbor Medical Center when required.

IV. Alternatives to Construction Considered

The alternatives considered were: status quo, construction, and contracting out of services. While build is the most cost-effective investment, leasing provides a facility with less risk to the government and retains flexibility as the program and staff changes. The contracting option was the most costly of the alternatives considered.

V. Demographic Data

| | Current | Projected (2022) |
|-------------------|---------|------------------|
| Outpatient visits | 43,805 | 73,303 |

VI. Schedule

| Award lease | September 2005 |
|--------------------------|----------------|
| Construction completion | |
| Space delivery/occupancy | |
| Space delivery/occupancy | July 2007 |

VII. Project Cost Summary

| Estimated maximum annual cost | | \$1,440,000 |
|---|---|-------------|
| Current total annual cost | \$556,960 | |
| Proposed rental rate* | | \$24.00/sf |
| Proposed leasing authority | *************************************** | 20 years |
| Proposed leasing authorityUsable square feet to be leased | *************************************** | 60,000 |
| Parking spaces to be leased | | 300 |
| Special purpose medically related improvem | ents** | \$2,700,000 |

^{*}This estimate is for 2005 and may be escalated by 4% annually to the effective date of the lease in order to account for inflation. This is an unserviced lease.

^{**}Lump sum payment to Lessor to upgrade space for special medical use; not included in rent.

Crown Point, Indiana Outpatient Clinic

I. Budget Authority

| Lease | 2005 | Unserviced |
|----------------|-------------|--------------------|
| <u>Through</u> | Request | <u>Annual Rent</u> |
| 2027 | \$2,600,000 | \$800,000 |

II. Description of Project

This lease proposes the acquisition of approximately 40,000 usable square feet of space for the Adam Benjamin, Jr. Outpatient Clinic (OPC) located in Crown Point, Indiana, 55 miles southeast of Chicago and is part of the VA Chicago Health Care System. This 40,000 square foot facility originated in 1987 as a 15-year lease with one five-year renewal option and expires in 2007. This project will replace the current expiring lease. The clinic will continue to provide outpatient services to over 11,600 veterans living in northwestern Indiana and southeastern Cook County, Illinois and offer primary care and a wide variety of specialized care, including cardiology, mental health, neurology, ophthalmology and optometry, physical medicine and rehabilitation, podiatry, urology, radiology, laboratory, pharmacy services, and parking, etc. A nutritionist and social worker offer additional support to the clinic's patients. Services not available at the clinic can be obtained through referrals to the Chicago VAMC (West Side).

Approval of this prospectus will constitute authority for up to 20 years of leasing including the initial term and any renewal options, and authority to extend the present lease, as necessary, prior to the completion of the proposed lease.

III. Priorities/Deficiencies Addressed

The primary business driver is access to outpatient care. Veterans in northwestern Indiana, without this clinic, will have to travel many miles and hours to receive comparable VA care.

IV. Alternatives to Construction Considered

The alternatives considered were: status quo, construction, and contracting out of services. While build is the most cost-effective investment, leasing a facility provides a facility with less risk to the government and retains flexibility as the program and staff changes. The contracting option was the most costly of the alternatives considered.

V. Demographic Data

| | <u>Current</u> | Projected (2022) |
|-------------------|----------------|------------------|
| Outpatient visits | 75,000 | 75,000 |

VI. Schedule

| Award lease | September 2005 |
|--------------------------|----------------|
| Construction completion* | June 2007 |
| Space delivery/occupancy | |

VII. Project Cost Summary (Based on relocating the clinic)

| Estimated maximum annual cost | |
|---|-----------------|
| Current total annual cost | \$614,538 |
| Proposed rental rate*. \$20.00/sf | |
| | 20 years |
| Usable square feet to be leased | 40,000 |
| | 211 |
| Special purpose medically related improvement | s** \$1,800,000 |

^{*}This estimate is for 2005 and may be escalated by 4% annually to the effective date of the lease in order to account for inflation. This is an unserviced lease.

^{**}Lump sum payment to Lessor to upgrade space for special medical use; not included in rent.

Denver, Colorado Health Administration Center (HAC)

I. Budget Authority

| Lease | 2005 | Unserviced |
|----------------|----------------|--------------------|
| <u>Through</u> | <u>Request</u> | <u>Annual Rent</u> |
| 2016 | \$3,900,000 | \$1,900,000 |

II. Description of Project

This interim lease proposes the acquisition of approximately 100,000 usable square feet of space for the Denver, Health Administration Center (HAC). The interim lease is needed due to the existing lease (including all extension options) expiring in March 2005 and pending final decision on the Fitzsimons construction project. This acquisition will allow for the continued operation by the HAC while a final decision is pending and subsequent design and construction of the proposed new VAMC on the Fitzsimons property is accomplished.

Approval of this prospectus will constitute authority for up to 10 years of leasing including the initial term, and any renewal options, and authority to extend the present lease, as necessary prior to the completion of acquiring permanent space.

III. Priorities/Deficiencies Addressed

This lease supports a system-wide priority for maintaining its status as the VA vanguard in the business of managing health care plans.

The HAC's mission is to administer health benefits for veterans and family members including Civilian Health and Medical Program of VA (CHAMPVA). This lease is needed due to the 2005 expiration of the present lease and it is not anticipated that the new Fitszimons facility will be completed in time to house the HAC.

IV. Alternatives to Construction Considered

The alternatives considered were: leasing, building a new facility, and contracting out of services. While build is the most cost-effective investment, it is dependent on the building of the new VA facility at the Fitzsimons site; therefore, the short-term solution is leasing.

V. Demographic Data

Not applicable. This facility processes insurance claims for all of VA.

VI. Schedule

| Award lease | March 2005 |
|--------------------------|------------|
| Space delivery/occupancy | March 2006 |

VII. Project Cost Summary

| Estimated maximum annual co | st | \$1,900,000 |
|---------------------------------|---|-------------|
| Current total annual cost | \$1,018,000 | |
| Proposed rental rate* | ******************************** | \$19.00/sf |
| Proposed leasing authority | | 10 years |
| Usable square feet to be leased | *************************************** | 100,000 |
| Parking spaces to be leased | | 400 |
| Parking spaces to be leased | | \$2,000,000 |

^{*}This estimate is for 2005 and may be escalated by 4% annually to the effective date of the lease in order to account for inflation. This is an unserviced lease.

^{**}Lump sum payment to Lessor to upgrade space for special administrative use; not included in rent.

Status Report for Authorized Major Medical Facility Projects (dollars in thousands)

Status Codes:

CD - Construction Documents
CO - Construction

DD - Design Development

NA - No Appropriation Available
PC - Physically Complete
SC - Schematics

| | | Approp. | GSF | |
|------------------------------|--|---|---|--|
| Description | Authorization | Available | Space | Status |
| Nursing Home | \$20,000 | \$0 | | NA |
| New Inpatient Bed Building | \$98,500 | \$98,500 | 244,000 | CD |
| Blind Rehab/SCI Center | \$40,000 | \$40,000 | 115,096 | CO |
| Surgical Suite | \$13,000 | \$13,000 | 31,000 | PC |
| Ambulatory Care Addn. | \$27 <i>,</i> 750 | \$6,250 | • • • | PC |
| Demolition of Buildings | \$5,600 | \$5,600 | • • • | SC |
| Renov Nurs. Units, Bldg 1 | \$9,500 | \$9,500 | 50,425 | CO |
| Renovate NHCU-Bldg. 2 | \$14,500 | \$0 | ••• | NA |
| Clinical Consol/Seismic | \$23,200 | \$23,200 | 73,725 | CO |
| Modernization/Seismic | \$107,600 | \$107,600 | 335,371 | CO |
| Utility Plant/Elect Dist | \$28,300 | \$28,000 | NA | CO |
| Psych. Patient Privacy | \$14,000 | \$14,000 | 65,644 | CO |
| Seismic Corrs/OP Facil. | \$80,000 | \$70,800 | ••• | CO |
| Joint VA/DoD OPC | \$45,000 | \$0 | ••• | NA |
| Ambulatory Care Addn. | \$50,000 | \$40,985 | | PC |
| Seismic Corrections, Bldg. 1 | \$48,600 | \$0 | ••• | NA |
| Seismic Corrections | \$50,000 | \$50,000 | 92,120 | CO |
| Cardiovascular Institute | \$11,500 | \$11,500 | • • • | PC |
| Ambulatory Care Addn. | \$35,000 | \$27,300 | 80,327 | CO |
| Renovate Bldgs 9 and 94 | \$26,000 | \$26,000 | 123,110 | PC |
| Renov. Wards & Research | \$50,000 | \$0 | ••• | NA |
| | Nursing Home New Inpatient Bed Building Blind Rehab/SCI Center Surgical Suite Ambulatory Care Addn. Demolition of Buildings Renov Nurs. Units, Bldg 1 Renovate NHCU-Bldg. 2 Clinical Consol/Seismic Modernization/Seismic Utility Plant/Elect Dist Psych. Patient Privacy Seismic Corrs/OP Facil. Joint VA/DoD OPC Ambulatory Care Addn. Seismic Corrections, Bldg. 1 Seismic Corrections Cardiovascular Institute Ambulatory Care Addn. Renovate Bldgs 9 and 94 | Nursing Home New Inpatient Bed Building Blind Rehab/SCI Center Surgical Suite Ambulatory Care Addn. Demolition of Buildings Renov Nurs. Units, Bldg 1 Renovate NHCU-Bldg. 2 Clinical Consol/Seismic Modernization/Seismic Utility Plant/Elect Dist Psych. Patient Privacy Seismic Corrs/OP Facil. Joint VA/DoD OPC Ambulatory Care Addn. Seismic Corrections, Bldg. 1 Seismic Corrections Cardiovascular Institute Ambulatory Care Addn. Renovate Bldgs 9 and 94 \$20,000 \$440,000 \$440,000 \$440,000 \$445,000 \$445,000 \$445,000 \$445,000 \$445,000 \$445,000 \$445,000 \$445,000 \$445,000 \$445,000 | Description Authorization Available Nursing Home \$20,000 \$0 New Inpatient Bed Building \$98,500 \$98,500 Blind Rehab/SCI Center \$40,000 \$40,000 Surgical Suite \$13,000 \$13,000 Ambulatory Care Addn. \$27,750 \$6,250 Demolition of Buildings \$5,600 \$5,600 Renov Nurs. Units, Bldg 1 \$9,500 \$9,500 Renovate NHCU-Bldg. 2 \$14,500 \$0 Clinical Consol/Seismic \$23,200 \$23,200 Modernization/Seismic \$107,600 \$107,600 Utility Plant/ Elect Dist \$28,300 \$28,000 Psych. Patient Privacy \$14,000 \$14,000 Seismic Corrs/OP Facil. \$80,000 \$70,800 Joint VA/DoD OPC \$45,000 \$0 Ambulatory Care Addn. \$50,000 \$0 Seismic Corrections \$50,000 \$50,000 Cardiovascular Institute \$11,500 \$11,500 Ambulatory Care Addn. \$35,000 \$27,300 | Description Authorization Available space Space Nursing Home \$20,000 \$0 New Inpatient Bed Building Blind Rehab/SCI Center \$40,000 \$98,500 244,000 Surgical Suite \$13,000 \$13,000 31,000 Ambulatory Care Addn. \$27,750 \$6,250 Demolition of Buildings \$5,600 \$5,600 Renov Nurs. Units, Bldg 1 \$9,500 \$9,500 50,425 Renovate NHCU-Bldg. 2 \$14,500 \$0 Clinical Consol/Seismic \$23,200 \$23,200 73,725 Modernization/Seismic \$107,600 \$107,600 335,371 Utility Plant/Elect Dist \$28,300 \$28,000 NA Psych. Patient Privacy \$14,000 \$14,000 65,644 Seismic Corrs/OP Facil. \$80,000 \$70,800 Joint VA/DoD OPC \$45,000 \$0 Ambulatory Care Addn. \$50,000 \$50,000 92,120 Cardiovascular Institute \$11,500 \$11,500 |

Status Report for Authorized Major Medical Leases

Status Codes:

AC - Alternatives to leased space being considered

AP - Acquisition Process Initiated

AR - Authorization Required

C - Complete

CA-Canceled

LA - Lease Awarded

NA - Negotiation and Approval

PR - Pending review

NUSF

| Location | Description | Authorization | Space | Status |
|-------------------|-----------------------------|----------------|--------|--------|
| Baton Rouge, LA | Satellite Outpatient Clinic | \$1,800 | 30,000 | LA |
| Jacksonville, FL | Satellite Outpatient Clinic | \$3,095 | 61,183 | AP |
| Lubbock, TX | Outpatient Clinic | \$1,112 | 36,000 | C |
| Oakland Park, FL | Satellite Outpatient Clinic | \$4,100 | 65,180 | LA |
| Santa Barbara, CA | Outpatient Clinic | \$3,611 | 30,780 | CA/AP* |
| Charlotte, NC | Satellite Outpatient Clinic | \$2,626 | 51,932 | AP |
| Boston, MA | Satellite Outpatient Clinic | \$2,879 | 35,000 | AP |

^{*}Initial project terminated for default and a new acquisition process initiated.

Enhanced-Use Leasing

Enhanced-Use Leasing is an important component of the Department of Veterans Affairs' overall asset management program. The program was the first among Federal agencies, is considered an innovative method of acquiring needed facilities, goods, and services, and assists the Department in achieving its asset goals and objectives.

In return for allowing VA property to be used for non-VA uses (which must be compatible with or benefit the Department's mission) on Department-controlled land, VA can require "rent" in the form of a reduction in the cost or free use of facilities or services for VA programs, monetary payments, or other "in-kind" consideration, which in the opinion of the Secretary "enhances" a particular VA activity's mission.

The program was authorized by law in 1991 and is managed by the Office of Asset Enterprise Management in the Office of the Assistant Secretary Management. Since the program's inception, VA has awarded 32 leases (Table 1) and is actively engaged in developing 29 site-specific projects and 2 national initiatives (Table 2).

Table 1: Lease Awards

| | Project Site | Project Type | Owner | Lease |
|----|-----------------------|------------------------------|---------|----------|
| | - | | | Awarded |
| | Washington, DC | Child Development | VHA | 4/20/93 |
| 1 | | Center | | 4/20/93 |
| 2 | Houston, TX | Collocation | VHA | 8/23/93 |
| 3 | West Palm Beach, FL | Public Safety Center | VHA | 11/14/94 |
| | West Haven, CT | Child Development | VHA | 12/1/94 |
| 4 | West Havelt, C1 | Center | | |
| 5 | Big Spring, TX | Parking | VHA | 3/8/96 |
| 6 | Indianapolis, IN | Consolidation | VHA | 9/23/96 |
| | Bay Pines El | Child Development | VHA | 5/22/97 |
| 7 | Bay Pines, FL | Center | | 3/22/9/ |
| 8 | St. Cloud, MN | Golf Course | VHA | 7/28/97 |
| 9 | Atlanta, GA | Regional Office collocation | VHA/VBA | 12/18/97 |
| 10 | Portland, OR | Single Room Occupancy | VHA | 7/14/98 |
| 11 | North Little Rock, AR | Golf Course | VHA | 10/1/98 |
| 12 | Mt. Home, TN | Medical School | VHA | 12/17/98 |
| 13 | Sioux Falls, SD | Parking | VHA | 4/1/99 |
| 14 | Danville, IL | Senior Housing | VHA | 4/27/99 |
| 15 | Mt. Home, TN | Energy | VHA | 12/2/99 |
| 16 | Indianapolis, IN | Nursing Home | VHA | 12/6/99 |
| 17 | Dallas, TX | Child Care Development | VHA | 12/20/99 |
| 18 | Roseburg, OR | Center Single Room Occupancy | VHA | 8/1/00 |

| | Project Site | Project Type | Owner | Lease |
|----|------------------------|---|---------|----------|
| | | | | Awarded |
| 19 | Salt Lake City, UT | Regional Office collocation | VHA/VBA | 5/9/01 |
| 20 | Durham, NC | Mixed Use / Research | VHA | 1/3/02 |
| 21 | North Chicago, IL | Chicago Medical School | VHA | 4/10/02 |
| 22 | Chicago (Westside), IL | Parking / Regional Office Collocation / Energy | VHA/VBA | 4/22/02 |
| | North Chicago II | , , , , , , , , , , , , , , , , , , , | VHA | 5/21/02 |
| 23 | North Chicago, IL | Energy Center | | <u> </u> |
| 24 | Batavia, NY | Single Room Occupancy | VHA | 5/24/02 |
| 25 | Chicago (Westside), IL | Energy | VHA | 8/12/02 |
| 26 | Tuscaloosa, AL | Hospice | VHA | 9/19/02 |
| 27 | Barbers Point, HI | Single Room Occupancy | VHA | 3/17/03 |
| 28 | Milwaukee, WI | Regional Office | VBA | 7/17/03 |
| 29 | Hines, IL | Single Room Occupancy | VHA | 8/22/03 |
| 30 | Somerville, NJ | Mixed Use | OM | 9/5/03 |
| 31 | Mound City, IL | Visitor Center | NCA | 11/6/03 |
| 32 | Butler, PA | Mental Health Facility | VHA | 12/18/03 |

Table 2: Departmental Enhanced-Use Lease Priorities

| | Project Site | Project Type |
|----|----------------------------|--|
| 1 | Albany, NY | Parking |
| 2 | Albuquerque, NM | Assisted Living |
| 3 | Batavia, NY | Assisted Living |
| 4 | Bedford, NY | Single Room Occupancy |
| 5 | Brevard, FL | Assisted Living |
| 6 | Charleston, SC | Affiliate Partnering |
| 7 | Chicago (Lakeside), IL | Realignment |
| 8 | Columbia, SC | Mixed Use/Regional Office/Realignment |
| 9 | Dayton, OH | Child Care Development Center |
| 10 | Dayton, OH | Public Safety Facility/Police Station |
| 11 | Dayton, OH | Housing Initiative |
| 12 | Ft. Howard, MD | Mission Realignment/Continuing Care Retirement |
| | | Community |
| 13 | Hines, IL | Assisted Living |
| 14 | Kerrville, TX | Assisted Living |
| 15 | Leavenworth, KS | Residential Health Care |
| 16 | Los Angeles, CA | Regional Office Collocation |
| 17 | Milwaukee, IL | Mixed Use |
| 18 | Minneapolis, MN | Credit Union |
| 19 | Minneapolis, MN | Homeless Veterans Housing |
| 20 | Newark, NJ | Regional Office |
| 21 | Newington, CT | Assisted Living |
| 22 | Palo Alto (Menlo Park), CA | Assisted Living |
| 23 | Portland, OR | Crisis Triage Center |
| 24 | Sacramento, CA | Assisted Living |
| 25 | Saint Cloud, MN | Homeless Housing Initiative |
| 26 | Saint Louis, MO | Parking |
| 27 | San Francisco, CA | Research |
| 28 | Sepulveda, CA | Loan Guarantee Housing |
| 29 | Syracuse, NY | Research |
| 30 | National | Co-generation |
| 31 | National VHA | Consolidated Mail Outpatient Pharmacy (CMOP) |